



## **AGENDA STAFF REPORT**

DATE: July 23, 2018

TO: Honorable Mayor and City Council

THRU: Jill R. Ingram, City Manager

FROM: Victoria L. Beatley, Director of Finance/City Treasurer

SUBJECT: **Approval of the Annual Special Taxes for Community Facilities  
District No. 2005-01- Pacific Gateway Business Center**

---

### **SUMMARY OF REQUEST:**

That the City Council adopt Resolution 6853 approving the Fiscal Year 2018-2019 special tax levy for Community Facilities District No. 2005-01 - Pacific Gateway Business Center.

### **BACKGROUND AND ANALYSIS:**

In January 2006, the City approved the establishment of Community Facilities District No. 2005-01 known as the Pacific Gateway Business Center (the District). On February 13, 2006, the City Council approved Ordinance No. 1542 levying the special taxes within the District. Subsequently, in May 2006, the City issued \$8,800,000 of CFD Bonds to fund the costs of various improvements within the District. Per the Official Statement dated January 6, 2016, the City issued \$8,450,000 Special Tax Refunding Bonds, Series 2016 and scheduled the outstanding amount of the CFD Bonds issued in 2006 to be redeemed in full.

The City contracted with Willdan Financial Services to calculate the special taxes for the District for Fiscal Year 2018-2019. The special taxes collected are considered special revenue. Special revenue sources are legally restricted to specific purposes. As a result, this special tax is not included in the General Fund revenues.

Special taxes were segregated into two groups: A and B. Special Tax A will satisfy debt service on the Bonds (Debt Service) and Special Tax B will satisfy costs related to the maintenance of parks, parkways and open space within the District (Landscape Maintenance). Exhibit A of the resolution shows the Fiscal Year 2018-2019 special tax levy for each parcel being taxed.

The method of assessment for Special Taxes A & B is described in the Rate and Method of Apportionment section of the Official Statement. The method of assessment defines two primary categories of property: Developed Property and

Undeveloped Property. Special Tax A allows for a maximum assessment rate of \$19,019.90 per Acre on Developed Property within the District. This rate is to be increased by an amount equal to two percent (2%) for the following Fiscal Year (2019-2020). The Fiscal Year 2018-2019 maximum and actual Special Tax A per Acre is listed as follows:

**Community Facilities District No. 2005-01  
Fiscal Year 2018-2019 Special Tax A for  
Developed and Undeveloped Property**

<b>Description</b>	<b>Assigned/Maximum Special Tax A per Acre</b>	<b>FY 2018-2019 Actual Special Tax A per Acre</b>
Developed Property	\$19,019.90	\$11,550.27
Undeveloped Property	\$19,264.39	\$0.00

Total expenditures for 2018-2019 are estimated at \$518,954. This estimate includes debt service payments of \$497,400 and administrative expenses of \$21,554. Total revenues from Special Tax A are estimated at \$518,954 for Fiscal Year 2018-2019. No credit will be applied to the levy this year.

The maximum Landscape Maintenance special tax for Fiscal Year 2018-2019 is \$3,005.05 per Acre within the District. This rate is to be increased by an amount equal to two percent (2%) for the following Fiscal Year (2019-2020). The Fiscal Year 2018-2019 maximum and actual Special Tax B per Acre are listed as follows:

**Community Facilities District No. 2005-01  
Fiscal Year 2018-2019 Special Tax B for  
Developed and Undeveloped Property**

<b>Description</b>	<b>Assigned/Maximum Special Tax B per Acre</b>	<b>FY 2018-2019 Actual Special Tax B per Acre</b>
Developed Property	\$3,005.05	\$1,453.26
Undeveloped Property	\$3,005.05	\$0.00

Total expenditures for 2018-2019 are estimated at \$65,295. Total revenues from Special Tax B are estimated at \$65,295 for Fiscal Year 2018-2019.

**ENVIRONMENTAL IMPACT:**

There is no environmental impact related to this item.

**LEGAL ANALYSIS:**

No legal analysis is required for this item.

## **FINANCIAL IMPACT:**

There is no financial impact related to this item.

## **RECOMMENDATION:**

That the City Council adopt Resolution 6853 approving the Fiscal Year 2018-2019 special tax levy for Community Facilities District No. 2005-01 - Pacific Gateway Business Center.

SUBMITTED BY:

NOTED AND APPROVED:

Victoria L. Beatley

Victoria L. Beatley, Director of  
Finance/City Treasurer

Jill R. Ingram

Jill R. Ingram, City Manager

Attachments:

- A. Resolution 6853
- B. Budget Worksheet – Services
- C. Budget Worksheet - Facilities